



AirBoss of America Corp.

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NEWS RELEASE

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AIRBOSS ANNOUNCES 4th QUARTER 2001 RESULTS

AirBoss of America Corp. (“AirBoss”) is pleased to announce the following results for the year and fourth quarter ending December 31, 2001:

(\$’000 except shares and per share amounts)

	Twelve months ended Dec 31		Three months ended Dec 31	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Net sales (<i>Note 1</i>)	\$169,201	\$138,038	\$38,837	\$ 35,767
Gross profit	29,898	28,437	6,726	7,037
Earnings before interest, taxes & amortization (EBITDA)	13,636	13,459	2,150	1,589
Interest	3,325	3,753	773	1,120
Income before income taxes & amortization of goodwill	6,022	5,092	173	(862)
Net income before amortization of goodwill	3,938	3,466	446	(507)
Amortization of goodwill	720	720	80	180
Net income	\$ 3,218	\$ 2,746	\$ 366	\$ (687)
EBITDA per share (weighted)	0.61	0.59	0.10	0.07
Earnings per share before amortization of goodwill				
-Basic	0.18	0.15	0.02	(0.02)
-Diluted	0.17	0.15	0.02	(0.02)
Earnings per share -Basic	0.14	0.12	0.02	(0.03)
-Diluted	0.14	0.12	0.02	(0.03)
Cash flow	\$ 10,790	\$ 9,045	\$ 1,928	\$ 1,731
Cash flow per share (weighted)	0.48	0.40	0.09	0.08
Common shares outstanding (million):				
-Basic	22.5	22.5	22.5	22.5
-Weighted	22.5	22.7	22.5	22.7
<i>Note (1)</i>				
Value of goods produced and sold	\$184,168	\$159,356	\$ 39,302	\$ 40,893
Less: Customer supplied materials	14,967	21,318	465	5,126
Net sales	<u>\$169,201</u>	<u>\$138,038</u>	<u>\$ 38,837</u>	<u>\$ 35,767</u>

Net sales for the year ended December 31, 2001 increased by 22% over 2000. Net sales for the quarter ended December 31, 2001 increased by 8% over the same period in 2000. Net income for the year ended December 31, 2001 increased by 17% to \$3.2 million.

The Railway Products Division accounted for 51% of the sales increase due to sales of new products such as metal rail fastening devices and expansion into secondary markets. Increased sales of rubber firefighter and military protective wear by our AirBoss-Acton division also contributed to the overall increase.

Volume in the Rubber Compounding Division remained stable as declining O.E. tire compound sales were offset by the addition of new industrial and retread customers. Continued high raw material prices and competitive pricing resulted in decreased gross margin percentages in this division. While many of our industrial rubber compound customers are facing difficulty in predicting volumes for 2002 we expect to add new customers to continue to offset the loss of O.E. tire compound sales.

Military protective product sales are expected to increase in 2002 with new products being introduced in the second quarter and increased demand for Nuclear, Biological and Chemical protective wear in Europe and North America.

The degree of profit improvement in the first six months of 2002 over 2001 will be dependant on maintaining sales levels with major customers while continuing to increase market share in our key markets of rubber compounding, engineered rubber and railway products. The difficulty in customers projecting short-term requirements is a concern; however, there remains a significant potential upside should conditions improve in the second half of the year.

AirBoss is a manufacturer of rubber and plastic products specializing in products for the industrial, transportation and military applications. AirBoss is also one of North America's largest rubber mixing companies specializing in custom rubber mixing and compound development. AirBoss is listed on the Toronto Stock Exchange under the symbol BOS.

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AIRBOSS FORWARD LOOKING STATEMENT DISCLAIMER

This report contains forward-looking statements which reflect management's best judgement based on factors currently known but involve significant risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including but not limited to risks more fully described in the "Risk factors" section of the Company's Annual Report, and other risks detailed in filings with the Ontario Securities Commission. Forward-looking information provided pursuant to the safe harbor established by recent securities legislation should be evaluated in the context of these factors.